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RUEHBU/AMEMBASSY BUENOS AIRES PRIORITY 2199
RUEHCV/AMEMBASSY CARACAS PRIORITY 8965
RUEHLP/AMEMBASSY LA PAZ JAN 2938
RUEHQT/AMEMBASSY QUITO PRIORITY 9942
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E.O. 12958: DECL: 01/23/2016

TAGS: <u>EAIR</u> <u>ECON</u> <u>PGOV</u> <u>PE</u>

SUBJECT: DGAC OUSTED OVER GROUNDING OF TANS AIRLINES

REF: A. LIMA 262

1B. LIMA 87

Classified By: Economic Officer Samantha Carl-Yoder for reasons 1.4 (b) and (d)

11. (C) Summary. The indefinite grounding of TANS Airlines on January 6 has become highly politicized, with President Toledo ordering the removal of Director General of Civil Aviation Roberto Rodriguez from his post on January 20. According to DGAC officials, the Ministry of Defense, which owns and controls TANS, requested the President that Rodriguez be fired as retribution for suspending TANS' air operating certificate. The new Director, who assumed control on January 23, is Luis Cesar Rivera Perez, the former Director of Air Traffic Control at CORPAC. DGAC contacts tell us that they do not believe that the new Director will immediately resume TANS flights, but that the possibility exists, especially if the Ministry of Transport finds that the DGAC did not maintain proper enforcement documentation on TANS. End Summary.

Out with the Old, in with the New

- 12. (C) During the FAA Safety Assessment last week (reftel), Roberto Rodriguez, now former Director General of Civil Aviation, informed us that he might lose his job over the grounding of TANS. Rodriguez was right -- on the afternoon of January 20, he called Econoff to inform her that he would be replaced immediately, with the new Director taking office on Monday. Rodriguez explained that the decision was political; President Toledo ordered the Minister of Transport to make the change. According to Rodriguez and other DGAC contacts, the Minister of Defense, supporting the Air Force (which owns and operates TANS), has since January 6 repeatedly requested that Rodriguez be relieved of his post as retribution for suspending TANS. The Minister of Transport waited until after the FAA concluded the International Aviation Safety Assessment (IASA) to make the change.
- 13. (SBU) The new Director of the DGAC is Luis Cesar Rivera Perez, former head of Air Traffic Control at CORPAC. Rodriguez will resume his previous position at the DGAC as

Director of Air Navigation. It is unclear whether Director Rivera will make personnel changes in the DGAC in the short term. Many director-level DGAC officials have already expressed to Econoff that they expect to be replaced in the next few weeks.

Bio Notes

- 14. (SBU) Prior to becoming Director of the DGAC, Luis Cesar Rivera Perez worked as the Director of Air Traffic Control at CORPAC (Peruvian Corporation for Airports and Commercial Aviation). He was also the president of SUCTA, the Union for Air Traffic Controllers. As President of SUCTA, Rivera led several strikes at Peruvian airports in 2005, demanding higher pay for air traffic controllers.
- 15. (C) According to our contacts at the Lima Airport Partners (LAP), Rivera is a close friend of Carlos Palacios, the owner of Aero Condor (who is under investigation for narcotrafficking). Our LAP contacts also noted that Rivera has close ties to the TANS General Manager and, as traffic controller, helped protect TANS from negative press during the December 31 near-collision with a LAN 767 (ref B).

Resumption of TANS Flights?

- 15. (SBU) From everything that we hear about Director Rivera, he is committed to maintaining high standards in the DGAC. However, Rivera, who is a member of President Toledo's Peru Posible, may feel pressure from the Administration and the Ministry of Defense to review Rodriguez's decision to suspend TANS. TANS management is very confident, informing the press that the airline should resume flights in the next two weeks. (Note: President Toledo flew on a TANS flight with a military pilot on January 12, after TANS was grounded. TANS uses this example to show that the company will obtain permissions to resume flights. End Note.)
- $\P6$. (SBU) Post foresees three possible scenarios for TANS to resume flights:
- --The Ministry of Transport, based on an Air Force request, reviews the DGAC files and finds that there was insufficient documentation and enforcement activities to warrant the suspension, overturning the decision; or
- --TANS meets the DGAC requirements to resume flights, including hiring civilian (non-active military duty) pilots and leasing a new plane that meet safety and maintenance standards;
- --The new Director reviews the TANS file and current DGAC requirements, and establishes new requirements that more adequately fit the DGAC's documentation on TANS' safety problems.
- \P 7. (C) As stated in reftel, the resumption of TANS flights would trigger an FAA review of the DGAC's safety process. Post would take the appropriate steps based on the FAA's review.

Comment

18. (U) Director Rivera is unknown to the Embassy. We will arrange a meeting with Rivera this week to establish a working relationship. We will also review the FAA conditions on Category I.

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